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PUC DOCKET NO. 52322

APPLICATION OF ELECTRIC	§	
RELIABILITY COUNCIL OF TEXAS,	§	PUBLIC UTILITY COMMISSION
INC. FOR A DEBT OBLIGATION	§	
ORDER PURSUANT TO CHAPTER 39,	§	OF TEXAS
SUBCHAPTER N, OF THE PUBLIC	§	
UTILITY REGULATORY ACT	§	

**ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.'S
PROOF OF NOTICE TO MARKET PARTICIPANTS OF
COMMISSION ORDER REQUESTING BRIEFING**

On July 21, 2021, Applicant Electric Reliability Council of Texas, Inc. ("ERCOT") provided notice of the Commission's Order Requesting Briefing to all ERCOT wholesale market participants by electronic email distribution. A copy of the notice is attached to this pleading.

WINSTEAD PC

By: /s/ Ron H. Moss

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ATTORNEYS FOR ERCOT

CERTIFICATE OF SERVICE

In accordance with the Second Order Suspending Rules issued in Project No. 50664, ERCOT has filed this document on the Commission's Interchange website and has notified all parties of the filing by email.

/s/ Ron H. Moss
Ron H. Moss

From: [ERCOT Client Services](#)
To: NOTICE_GENERAL@LISTS.ERCOT.COM; Notice_Legal_Notifications@lists.ercot.com
Cc: [Ercot Account Managers](#); [Market Support Services](#)
Subject: W-B072121-01 Order Requesting Briefing issued in PUC Docket No. 52322
Date: Wednesday, July 21, 2021 3:28:58 PM
Attachments: [PUC Docket No. 52322 - Order Requesting Briefing.PDF](#)

NOTICE DATE: July 21, 2021

NOTICE TYPE: W-B072121-01 Legal

SHORT DESCRIPTION: Order Requesting Briefing issued in PUC Docket No. 52322

INTENDED AUDIENCE: All Market Participants

DAYS AFFECTED: Briefing due by 3 p.m. on August 4, 2021

LONG DESCRIPTION: On July 21, 2021, the Public Utility Commission of Texas (Commission) issued an Order Requesting Briefing (Order) in PUC Docket No. 52322, *Application of the Electric Reliability Council of Texas, Inc. for a Debt Obligation Order to Finance Uplift Balances under PURA Chapter 39, Subchapter N, for an Order Initiating a Parallel Docket, and for a Good Cause Exception*.

The Order states in part as follows:

"[T]o assist the Commission in developing the required debt-financing mechanism, the Commission requests briefing on the following issues:

1. Does the phrase *exposed to the costs included in the uplift* contemplate offsetting the amounts paid in excess of the commission's system-wide offer cap by amounts received in excess of the commission's system-wide offer cap? If so, does this offset include amounts received by entities affiliated with the entity that made such payments?
2. What is the appropriate definition for entities affiliated with the entity that made such payments? If the entity that made such payments is part of a larger business structure, what is the highest level of the business structure (up to the ultimate parent of the larger business structure) that should be used to identify the affiliated entities whose amounts received should be used as an offset when determining the exposure of the entity that made such payment?

Any interested person may file a brief on these issue by 3:00 p.m. on Wednesday, August 4, 2021. No reply briefs may be submitted. Briefs must be limited to ten pages."

The Commission also directed ERCOT to provide notice of the Order to all Market Participants. This Market Notice is being issued to comply with that directive.

ACTION REQUIRED: Any interested party wishing to file a brief in response to the

Commission's Order must do so **by 3:00 p.m. on Wednesday, August 4, 2021.**

ADDITIONAL INFORMATION: All filings in PUC Docket No. 52322 can be found on the Commission website at this [link](#).

CONTACT: If you have any questions, please contact your ERCOT Account Manager. You may also call the general ERCOT Client Services phone number at (512) 248-3900 or contact ERCOT Client Services via email at ClientServices@ercot.com.

If you are receiving email from a public ERCOT distribution list that you no longer wish to receive, please follow this link in order to unsubscribe from this list: <http://lists.ercot.com>.

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Filing Receipt

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PUC DOCKET NO. 52322

APPLICATION OF THE ELECTRIC	§	
RELIABILITY COUNCIL OF TEXAS,	§	
INC. FOR A DEBT OBLIGATION	§	PUBLIC UTILITY COMMISSION
ORDER TO FINANCE UPLIFT	§	
BALANCES UNDER PURA CHAPTER	§	OF TEXAS
39, SUBCHAPTER N, AND FOR A	§	
GOOD CAUSE EXCEPTION	§	

ORDER REQUESTING BRIEFING

The Electric Reliability Council of Texas, Inc. (ERCOT) filed on July 16, 2021 an application for a debt-obligation order under PURA § 39.653. The purpose of a debt-obligation order is “to establish a debt financing mechanism for the payment of the uplift balance.”¹ The uplift balance is the amount of money (not to exceed \$2.1 billion) that was uplifted to load-serving entities on a load ratio share basis due to energy consumption during a specified period for reliability deployment price adder charges and ancillary services costs in excess of the commission's system-wide offer cap.² To issue such order, the Commission must find that the financing mechanism will support the financial integrity of the wholesale market and is necessary to protect the public interest, considering the impact on both wholesale market participants and retail customers.³

A debt-obligation order must contain three items. First, it must state the uplift balance. Second, it must state the period over which uplift charges must be assessed to repay the debt obligations, which may not exceed 30 years. And third, it must provide the process for remitting the proceeds of the financing to load-serving entities *who were exposed to the costs included in the uplift balance*, including a requirement for the load-serving entities to submit documentation of their exposure. Some load-serving entities only made payments that included amounts in excess of the commission’s system-wide offer cap. Other entities that made such payment may have also received payments— or an affiliated entity may have received payments—that included amounts

¹ PURA § 39.653(a).

² *Id.* § 39.652 (4).

³ *Id.* § 39.653.

in excess of the commission's system-wide offer cap. Some entities may be part of large, complex business structures where the entity that made such payments and the affiliated entities are separated by multiple levels of corporations and partnerships.

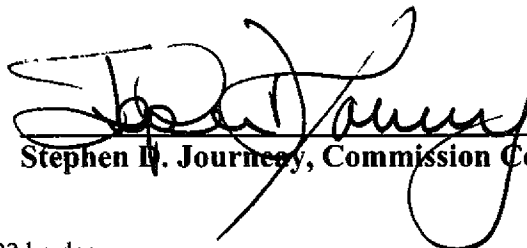
To assist the Commission in developing the required debt-financing mechanism, the Commission requests briefing on the following issues.

1. Does the phrase *exposed to the costs included in the uplift* contemplate offsetting the amounts paid in excess of the commission's system-wide offer cap by amounts received in excess of the commission's system-wide offer cap? If so, does this offset include amounts received by entities affiliated with the entity that made such payments?
2. What is the appropriate definition for entities affiliated with the entity that made such payments? If the entity that made such payments is part of a larger business structure, what is the highest level of the business structure (up to the ultimate parent of the larger business structure) that should be used to identify the affiliated entities whose amounts received should be used as an offset when determining the exposure of the entity that made such payment?

Any interested person may file a brief on these issue by 3:00 p.m. on Wednesday, August 4, 2021. No reply briefs may be submitted. Briefs must be limited to ten pages. Diagrams of business structures used for illustrative support for the brief are not included in the page limit. The Commission will consider and possibly adopt a preliminary order, which may decide these issues, at the open meeting currently scheduled for August 18, 2021.

ERCOT is directed to provide notice of this order to all market participants through a market notice.

Signed at Austin, Texas the 21st day of July 2021.


Stephen D. Journey, Commission Counsel